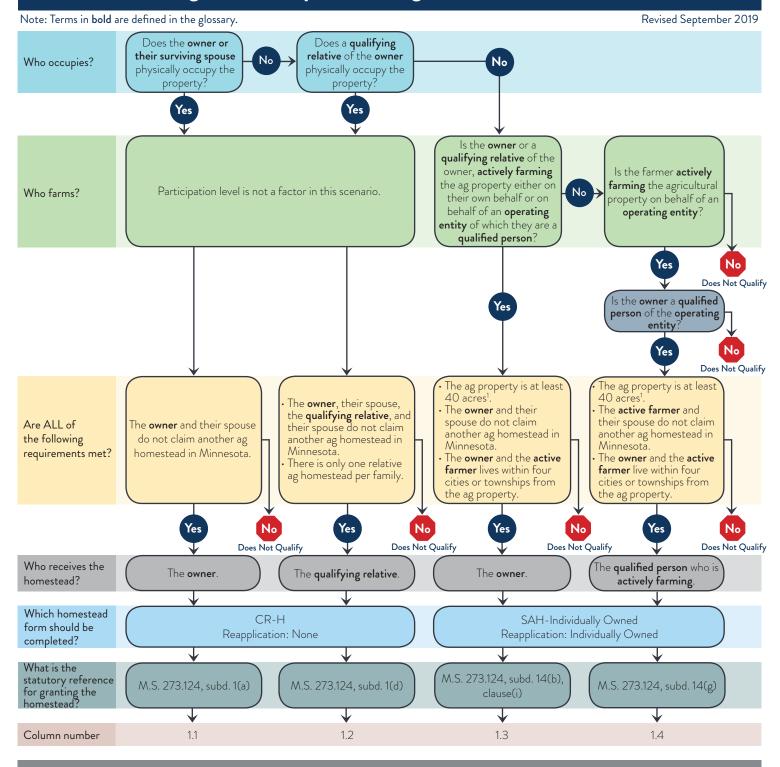


Establishing Individually Owned Agricultural Homestead Flowchart



Footnote Glossary

The ag property is at least 40 acres, including undivided government lots and correctional 40's.

Actively farming - participation in the day-to-day decision making, labor, administration, and management of the farm as well as assuming all or a portion of the financial risks and sharing in any profits or losses. The person who is actively farming must be a Minnesota resident.

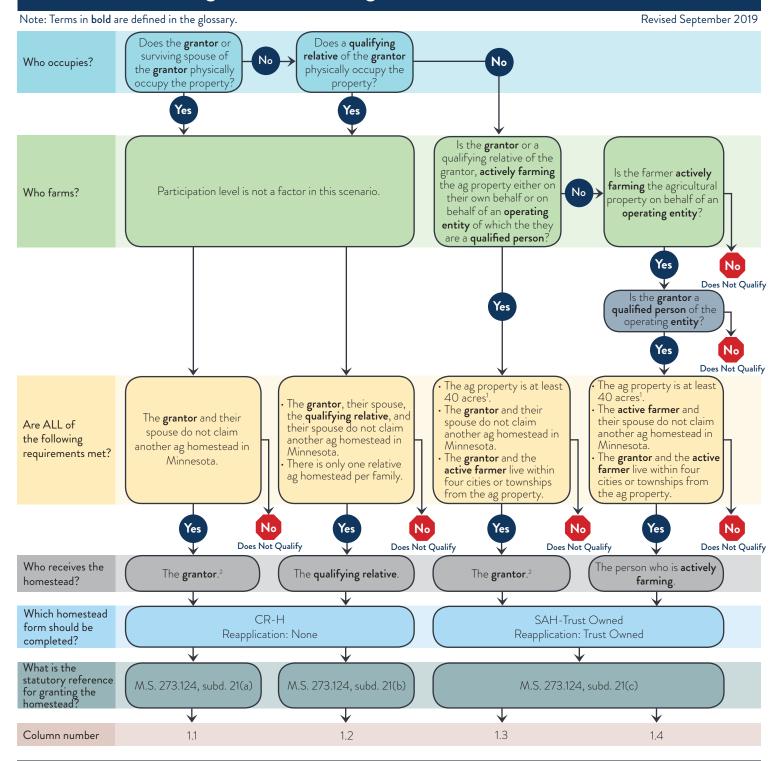
Operating entity - must meet the authorized entity requirements of M.S. 500.24 and must be operating the agricultural land. (See M.S. 273.124, subdivision 8(a).)

Owner - is defined as an individual person or multiple people who own the property. An owner must be a Minnesota resident.

Qualified person - must be a Minnesota resident and can be a member, shareholder, or partner in an authorized entity. Qualifying relative – must be a Minnesota resident. For agricultural property, a qualified relative can be a child, sibling, grandchild, or parent of the owner or of the spouse of the owner. (See M.S. 273.124, subdivision 1(d).)



Establishing Trust Owned Agricultural Homestead Flowchart



Footnote

¹The ag property is at least 40 acres, including undivided government lots and correctional

²If the grantor is deceased, the property may still qualify for homestead to the benefit of the trust. The active farmer must sign the application, attesting that the requirements are factually met, but the homestead is given to the land owned by the trust.

Glossary

Actively farming - participation in the day-to-day decision making, labor, administration, and management of the farm as well as assuming all or a portion of the financial risks and sharing in any profits or losses. The person who is actively farming must be a Minnesota resident.

creating or establishing a trust.

authorized entity requirements of M.S. 500.24 and must be operating the agricultural land. (See M.S. 273.124, subdivision

Grantor - is defined as the person **Qualified person** - must be a Minnesota resident and can be a member, shareholder, or partner in an authorized entity.

Operating entity - must meet the Qualifying relative - must be a Minnesota resident. For agricultural property, a qualified relative can be a child, sibling, grandchild, or parent of the owner or of the spouse of the owner or grantor of the agricultural property. (See M.S. 273.124, subdivision 1(d).)



Establishing Entity Owned Agricultural Homestead Flowchart

Note: Terms in **bold** are defined in the glossary. Revised September 2019 Is the property physically occupied by Who occupies? a qualified person of the entity? Is the property operated by an entity: Is the occupant a Is the active farmer Is the ownership Is the owning entity Is the owning entity the a qualified person of qualified person of both Nο same as the operating entity? and operating the same as the ooth the owning entity the **owning entity** and operating entity? entities the same? and operating entity operating entity? Does Not Qualify Does Not Qualify ls a **qualified person** Is a qualified person Is the qualified person who occupies the property actively of the entity actively Who farms? actively farming the farming the agricultural property? engaged in farming? agricultural property: Does Not Qualify Does Not Qualify Does Not Qualify The ag property is at least 40 acres*. Are ALL of · The active farmer and their spouse do not claim another the following The occupant and their spouse do not claim another ag ag homestead in Minnesota. homestead in Minnesota. requirements • The active farmer lives within four cities or townships met? from the ag property. Does Not Qualify Does Not Qualify Who receives the The qualified person who is actively engaged in farming on The active farmer on behalf of the operating entity. behalf of the owning entity. homestead? Which homestead SAH-Entity Owned SAH-Entity Owned form should be Reapplication: Entity Owned Reapplication: None completed? What is the statutory reference M.S. 273.124, subd. 8(a) and 8(b) M.S. 273.124, subd. 14(g) for granting the homestead? Column number 1.1 1.2 1.3 1.4

Footnote

Glossary

*The ag property is at least 40 acres, including undivided government lots and correctional 40's.

Actively engaged in farming

- participation on the farm on a regular and substantial basis. The person who is actively engaged in farming must be a Minnesota resident. Active farmer - participation in the day-today decision making, labor, administration, and management of the farm as well as assuming all or a portion of the financial risks and sharing in any profits or losses. The person who is actively farming must be a Minnesota resident. Owning/operating entity - must meet the authorized entity requirements of M.S. 500.24 and must be owning and/or operating the agricultural land. (See M.S. 273.124, subdivision 8(a).)

Qualified person - must be a Minnesota resident and can be a member, shareholder, or partner in an authorized entity.